



**Governing Council
of the United Nations
Development Programme**

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DP/1990/L.15
21 June 1990

Original: ENGLISH

Thirty-seventh session
28 May-22 June 1990, Geneva
Item 4 (c) of the agenda

Draft decision
Agency support costs

The Governing Council

1. Decides that successor arrangements for the United Nations Development Programme should:

(a) Continue to reflect the principles of tripartite partnership as a distinctive characteristic of United Nations Development Programme assistance, irrespective of execution modality;

(b) Promote coherence and co-ordination in the operational activities of the United Nations system;

(c) Facilitate the further assumption by Governments of the management of United Nations-financed programmes and remove impediments to and provide incentive for national execution and sharper technical focus by agencies;

(d) Reinforce the accountability of the Administrator and of technical and specialized agencies providing support services;

(e) Be structured to strengthen capacities for technical support, while keeping to the necessary minimum the resources deployed for administrative and operational support;

(f) Seek to ensure cost-efficiency, enhanced quality, cost-transparency and effectiveness in the implementation of United Nations Development

Programme-assisted programmes and projects through, inter alia, greater openness and competitiveness in accessing and providing services in accordance with the approach set out in paragraph 41 of the 1970 Consensus;

(g) Continue the principle of cost-sharing between the United Nations Development Programme and agencies;

2. Decides that support cost arrangements for the United Nations Population Fund should be tailored to its specific programme requirements, and requests the Executive Director to elaborate a detailed proposal for consideration by the Governing Council at its thirty-eighth session, taking into account, where appropriate, the specific circumstances of the Fund and the principles and objectives stated in paragraph 1 of the present decision;

3. Decides that the new support cost arrangement should be available to the Food and Agriculture Organization of the United Nations, the International Labour Organisation, the United Nations Educational, Scientific and Cultural Organization, the United Nations Industrial Development Organization and the Department of Technical Co-operation for Development; considers that the basic elements of the current régime could continue for the smaller technical agencies and those where United Nations Development Programme-financed technical co-operation work is slight in the overall work of the agency, and therefore requests the Administrator, in close consultation with the agencies and also in the light of the discussions referred to in paragraph 5 and of paragraph 10 of the present decision, to recommend to the Governing Council at its thirty-eighth session (1991) agencies for which the current approach to compensation could continue to apply under the successor arrangements;

4. Decides not to make a general recommendation concerning the application of United Nations Development Programme support cost reimbursement arrangements to other technical co-operation activities such as agency trust funds;

5. Requests the Administrator to ascertain with each agency, the capacity and readiness of the agency to provide the requisite services in the sector of its competence, as part of mandated functions, and to report to the Governing Council on any needs for the support of capacity that may emerge, and to make appropriate recommendations to the Council before the expiry of the present arrangements;

6. Decides to distinguish, in the successor arrangements, three main elements of programme and project support (see annex) as follows:

(a) Technical support at the programme level, which relates to non-project services;

(b) Technical support at the project level;

(c) Administrative and operational support for projects;

7. Establishes, with effect from 1 January 1992, a facility, to be known as Technical Services Support, to be managed by the Administrator, for support to technical services at the programme level and which, in the light of the distinction made in paragraph 3 of the present decision, is to be used for supplementary financing of identified programme-level services from selected technical and specialized agencies of the United Nations system, complementary to the regular programme functions carried out by the agencies and additional to other, already existing financing provisions; and sets aside the sum of \$__ million for these purposes for the fifth cycle;

8. Requests the Administrator, in close consultation with the agencies and after the process called for in paragraph 5 of the present decision and in other periodic discussions, to submit to the Governing Council proposals for the use of these resources in the fifth programming cycle for two-year periods, based on three-year forecasts, taking into account needs emerging from country programmes; regional and subregional requirements; the capacity and relevance of agencies in meeting these needs; the desire of the Council to strengthen programme support at the country level, at the request of Governments and under the general co-ordination of the Resident Co-ordinator and in the light of national requirements and priorities, as well as the relevant provisions of General Assembly resolution 44/211 and Governing Council decision 1990/__;

9. Recognizes that the technical support from agencies at the project level is currently financed from several sources including the indicative planning figures and the Special Programme Resources as well as the overall support cost payments and requests the Administrator, in close consultation with the executing agencies, to make proposals to the Governing Council at its thirty-eighth session (1991), on the most appropriate means of financing technical support at the project level, taking account of the Council's desire: (a) to take account of the analysis of specific services required and the adequacy of current funding arrangements; (b) to retain the principle of

the sharing of costs for technical support between the United Nations Development Programme and agency partners; (c) to enable the compensation of executing agencies for services rendered in relation to any phase of the project cycle, regardless of execution modalities; and (d) to ensure adequate overseeing by the Administrator of all projects through, *inter alia*, technical appraisal, monitoring and evaluation functions for which agencies would normally be considered as the technical partners of the Administrator; and decides to appropriate, as a working hypothesis, ___ per cent of programmable resources to the financing of those services which may be deemed to be best financed centrally;

10. Recognizes that placing the financing of administrative and operational support in country indicative planning figures could encourage greater efficiency and increased national participation in project/programme administration and improve project design; decides that financing for administrative and operational support of projects should be drawn, starting 1 January 1992 from a sub-line within country indicative planning figures to be created by transferring resources previously housed in the support cost line to this new indicative planning figure sub-line; affirms the responsibility of the Administrator to approve execution and implementation arrangements for all United Nations Development Programme-assisted projects and to ensure that such arrangements are satisfactory, in accordance with the Consensus and existing practice; and requests the Administrator to report to the Governing Council at its thirty-eighth session (1991) on measures to ensure that execution and implementation arrangements are satisfactory, as well as on the possible role of the arrangements for technical support at the project level discussed in paragraph 9 of the present decision; and decides to appropriate, as a working hypothesis, ___ per cent of porgrammable resources for this purposes;

11. Decides that the resources transferred to the indicative planning figure sub-line be used to finance support services from external agents and that resources saved by not having to compensate external agents would be available for use within the country programme in accordance with national priorities and taking into account the desire to promote the development of national capacity;

12. Requests the Administrator to work jointly with agency partners to update estimates of the actual costs involved and to make proposals for standard differential rates, including the possibility of lump-sum payments for clusters of services related to administrative and operational support, taking account of the desire to keep to a minimum administrative and operational outlays and in particular of the ___ per cent ceiling established as a working hypothesis in paragraph 10 of the present decision; of the approach set out in the second proposal of the United Nations Industrial Development Organization and the submission by the Consultative Committee on Substantive Questions (Operational Activities) to the Bureau of the Governing Council; and to make specific proposals to the Council at its thirty-eighth session (1991); and authorizes the Administrator, to assist him in making his proposals, to commission, in consultation with the concerned agencies, an independent survey of the cost of particular services of a cross section of agencies to help establish their relative cost;

13. Confirms the need for flexibility provisions along the lines contained in decision 81/40 of 30 June 1981 and requests the Administrator, in consultation with the agencies concerned, to make specific proposals to the Governing Council at its thirty-eighth session on the operation of such a system of flexibility, taking account of inflation since 1982, the undesirable effect of sudden steps in computing rates and the budgetary capacities of the agencies involved;

14. Requests the Administrator, in consultation with the agencies concerned, to make detailed proposals which should not have net cost over time to the Governing Council at its thirty-eighth session (1991) for mechanisms to provide a reasonable degree of protection from exchange rate movements, taking account of the need to share at least part of the foreign exchange risks with agency partners;

15. Requests the Administrator to submit to the Governing Council at its thirty-eighth session (1991), proposals for the charging of support costs on projects financed by the United Nations Development Programme trust funds, or other funds which are within his responsibility;

16. Recognizes that the support cost arrangement shall not necessarily be applied to non-governmental organizations and organizations outside the United Nations system;

17. Recognizes the potential need for transitional arrangements to permit adjustments by Governments and agencies and requests the Administrator, in consultation with parties concerned, to make specific proposals as appropriate to the Council at its thirty-eighth session (1991);

18. Requests the Administrator, in consultation with the agencies, to prepare a report to the Council at its thirty-eighth session (1991) as to the feasibility, benefits, and costs of introducing a generally acceptable and uniform cost measurement system;

19. Decides that, as far as possible, the arrangements should have a 10-year validity, but that there should be a review of the functioning of the new system in time for the preparation of the sixth cycle;

20. Requests the Administrator, in consultation with the United Nations technical and specialized agencies, to present to the Governing Council at its thirty-eighth session (1991) a proposal for the independent monitoring and evaluation of the new arrangements, taking into account the objectives set out in paragraph 1 of the present decision;

21. Considers it essential to adopt a comprehensive and integrated approach to the provision of support to United Nations specialized and technical agencies which encompasses all funding from the United Nations Development Programme, including sectoral support which may be complementary to the objectives of arrangements made for technical support services;

22. Requests the Administrator, in the period preceding the thirty-eighth session, to apprise members of the Governing Council on progress made and to submit a report to the Council at its special session in February 1991.

Annex

ILLUSTRATIVE LIST OF SERVICES

- I. TECHNICAL SUPPORT AT THE PROGRAMME LEVEL
 - A. Sector analysis and needs identification
 - B. Direct advice and support to Governments and United Nations Development Programme field offices on request
 - C. Development of sector-specific and subsector-specific integrated programmes and related studies
 - D. Country programme/sector reviews
 - E. Sectoral or thematic evaluations
 - II. TECHNICAL SUPPORT AT THE PROJECT LEVEL
 - A. Project identification
 - B. Project design and detailed formulation
 - C. Monitoring project implementation
 - D. Project evaluation
 - III. ADMINISTRATIVE AND OPERATIONAL SUPPORT FOR PROJECTS
 - A. Obtaining Government approval/clearance of candidate
 - B. Administrative aspects of appointments
 - C. Making travel/living arrangements for experts
 - D. Administration of fellowships
 - E. Maintenance of records for equipment
 - F. Disposal of equipment and supplies
 - G. Maintenance of accounting records
 - H. Briefing in administrative matters
 - I. Appraisal and selection of candidates for expert and consultant posts
 - J. Preparation of bidding documents for subcontracts, technical evaluation of bids and selection of subcontractors
 - K. Evaluation of candidates submitted by Governments for fellowship and selection of appropriate training institutions
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Agenda items 4 (b) (ii) and 4 (b) (xii)

Draft decision

Review of the Committee of the Whole and its Working Group
and review of the working methods of the Governing Council

The Governing Council

Recalling its decisions 81/37, 83/5, 85/17, 87/20, 87/50, 89/20 and 89/25,

Having considered the report and note of the President of the Governing Council on the working methods of the Governing Council (DP/1990/82 and Add.1),

Convinced of the need to improve considerably the working methods of the Governing Council of the United Nations Development Programme in order to make the Council more efficient,

Taking into account the views expressed by delegations during the discussion of this subject, both at the plenary meetings of the Governing Council and at the informal consultations, as well as the proposals submitted by two delegations and the intention of some other delegations of also submitting proposals on this subject at a later date,

1. [Decides to extend the Committee of the Whole and its Working Group until June 1991, with the same mandate and composition as foreseen in decision 89/25 of 30 June 1989];

or

1. [Decides to merge the Committee of the Whole and its Working Group into a Standing Committee for Programme Matters on a permanent basis with the same mandate as in its decisions 83/5 and 85/17];

2. [Invites the President of the Governing Council to conduct further consultations with the members of the Council, observers and other interested parties, in order to review and make recommendations to the Council on various proposals relating to further streamlining the structure and rationalizing the working methods of the Council; including its composition, frequency of meetings, reporting arrangements and other aspects of its working methods as well as their financial administrative implications];

3. [Further decides that:

(a) the Standing Committee for Programme Matters will deal with the programme aspects of the activities of the United Nations Development Programme in the same way as does the Budget and Finance Committee with the budgetary, financial and administrative matters; and that it will report to the Plenary of the Council and will prepare decisions for adoption by the Plenary;

(b) the Standing Committee for Programme Matters will meet during sessions of the Council as well as between sessions as required by its agenda and workload];

4. [Decides that the Committee will organize regular field visits for its members];

5. [Authorizes the Administrator to facilitate, to the extent that extra-budgetary resources are available, the participation of one representative of low-income countries who are responsible for technical co-operation activities to attend meetings of the Committee, as well as participation in the field visits mentioned in paragraph 4];

6. [Requests the Administrator, with respect to the working methods of the Governing Council, to examine further possibilities: (a) to reduce the number as well as the length of documents presented to the Council; (b) to biennialize or even triennialize specific items and the high-level debate of the Governing Council and to submit his proposals to the Council;

7. [Requests the Administrator to indicate in his reports to the Governing Council any actions proposed, including their financial and administrative implications;

8. [Decides to keep to a minimum preambular paragraphs in its decisions, referring to relevant reports and decisions only when necessary for the clarity of the decision under consideration.



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Draft decision

Review of the Committee of the Whole and its Working Group
and review of the working methods of the Governing Council

The Governing Council,

Recalling its decisions 81/37, 83/5, 85/17, 87/20, 87/50, 89/20 and 89/25,

Having considered the report and note of the President of the Governing Council on the working methods of the Governing Council (DP/1990/82 and Add.1),

Convinced of the need to improve considerably the working methods of the Governing Council of the United Nations Development Programme in order to make the Council more efficient,

Taking into account the views expressed by delegations during the discussion of this subject, both at the plenary meetings of the Governing Council and at the informal consultations, as well as the proposals submitted by two delegations and the intention of some other delegations of also submitting proposals on this subject at a later date,

1. Decides to merge the Committee of the Whole and its Working Group into a Standing Committee for Programme Matters with the same mandate as in its decisions 83/5 and 85/17 and further decides to review the mechanism in 1997;

2. Further decides that:

(a) the Standing Committee for Programme Matters will deal with the programme aspects of the activities of the United Nations Development Programme, and that it will report to the plenary of the Council and will prepare decisions for adoption by the Plenary;

(b) the Standing Committee for Programme Matters will meet during sessions of the Council as well as between sessions as decided by the Council depending on its agenda and workload;

(c) rules and procedures for the Standing Committee shall be approved by the Council;

3. Decides that the Standing Committee in consultation with host Governments will organize regular field visits for its members to look into and report back to the Committee on specific aspects of the United Nations Development Programme's field programme;

4. Authorizes the Administrator to facilitate the participation of one representative of each low-income member country of the Council who is responsible for technical co-operation activities to attend intersessional meetings of the Committee;

5. Similarly authorizes the Administrator to facilitate participation of Committee members of the Council in the field visits mentioned in paragraph 3 above;

6. Requests the Administrator, with respect to the working methods of the Governing Council, to examine further possibilities: (a) to reduce the number as well as the length of documents presented to the Council; (b) to biennialize or even triennialize specific items and the high-level debate of the Governing Council and to submit his proposals to the Council;

7. Requests the Administrator to indicate in his reports to the Governing Council any actions proposed, including their financial and administrative implications;

8. Decides to keep to a minimum preambular paragraphs in its decisions, referring to relevant reports and decisions only when necessary for the clarity of the decision under consideration.

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